(1) 95-985

Supreme Court, U.S.
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No.

In The

Supreme Court of the United States

October Term, 1995

GILBERTO ARVELO,

Petitioner,

vs.

AMERICAN INTERNATIONAL INSURANCE COMPANY,

Respondent.

Petition for a Writ of Certiorari to the United States Court of Appeals for the First Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

1. The unauthorized copying of constituting elements of the copyrighted work that are original constitutes copyright infringement pursuant to the Copyright Act and the Supreme Court holding in *Feist Publications, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340 (1991).

2. Pursuant to the Copyright Act and *Feist Publications, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340 (1991) the infringement of a copyright is not measured by the quantity of the original material copied but by the originality of the same and the Court of Appeals erred in concluding that since the original material copied from the copyrighted work was minimal no infringing could occur.

LIST OF PARTIES

The parties to the proceedings are:

Petitioner: Gilberto Arvelo

Respondent: American International Insurance Company

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OPINIONS BELOW

The District Court originally dismissed this action brought by Mr. Gilberto Arvelo against Respondent American International Insurance Co. on February 8, 1995 ruling that the copied material, namely the words "Retail Plus", was not copyrightable material and therefore Respondent's copying did not constitute copyright infringement. *Arvelo v. American Int'l Ins. Co.*, 875 F. Supp. 95 (D.P.R. 1995). The District Court further found that the copied words did not form a substantial part of the copyrighted work, nor are those words subject to copyright protection, if dissected from the surrounding material and that plaintiff's and defendant's works are not substantially similar. Petitioner Arvelo appealed the District Court's decision, and on September 21, 1995 the United States Court of Appeals for the First Circuit affirmed the District Court's judgment and dismissal largely on the basis of the District Court's opinion. The Court of Appeals added to the trial court's opinion that the words "Retail Plus" standing alone are not subject to federal copyright protection because it was a title and, even if it were not a title, it was too insubstantial to qualify for federal copyright protection. Thus, according to the Court of Appeals, Respondent could not have committed copyright infringement when it copied, without any authorization, the words "Retail Plus" from Petitioner's copyrighted work and used them as the title of one of its insurance policies.

STATEMENT OF JURISDICTION

The Court's jurisdiction to review the judgment of the United States Court of Appeals for the First Circuit affirming the District Court's dismissal of the action is invoked pursuant to 28 U.S.C. § 1254(1).

The underlying District Court case involved a claim by

Petitioner Gilberto Arvelo (hereinafter "Arvelo") of copyright infringement by Respondent American International Insurance Company (hereinafter "AIIC") under the provisions of the Copyright Act of 1976. The District Court had jurisdiction over the case under 28 U.S.C. § 1338. A judgment in Respondent's favor was entered by the District Court on February 8, 1995 (Appendix B). Petitioner filed an appeal with the First Circuit Court of Appeals within thirty days of the District Court's entry of an order denying Petitioner's Motion to Amend Final Judgment. The Court of Appeals affirmed the District Court's summary judgment in favor of AIIC's finding that the copied material was not protected by Arvelo's copyright grant (Appendix A).

This Petition for Writ of Certiorari is timely filed within ninety days of the Court of Appeals Judgment, September 21, 1995, by December 20, 1995.

STATUTES INVOLVED

17 U.S.C. § 501(a) provides in pertinent part that:

> (a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 [17 U.S.C. §§ 106-118], or of the author as provided in section 106A(a) [17 U.S.C. § 106A(a)], or who imports copies or phonorecords into the United States in violation of section 602 [17 U.S.C. § 602], is an infringer of the copyright or right of the author as the case may be.

17 U.S.C. § 106 provides in pertinent part that:

> Subject to sections 107 through 118 [17

> U.S.C. §§ 107-118], the owner of copyright under this title [17 U.S.C. § 101 *et seq.*] has the exclusive rights to do and to authorize any of the following:
>
> (1) to reproduce the copyrighted work in copies and phonorecords;
>
> (2) to prepare derivative works based upon the copyrighted work;
>
> (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
>
> (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly; and
>
> (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly.

STATEMENT OF THE CASE

A. Procedural History

Petitioner Gilberto Arvelo is a publicist that secured a

copyright grant for a marketing campaign that featured as one of its main components the naming of a business owner's policy with the name "Retail Plus".

The underlying District Court case involved a claim for copyright infringement by Petitioner against Respondent American International Insurance Company arising out of the latter's unauthorized use of an important portion of the copyrighted work belonging to the former.

B. Course of Proceedings

On January 29, 1993 Arvelo filed a complaint against AIIC charging it with copyright infringement and liability under the Copyright Act of 1976. By December, 1993 both parties filed motions for summary judgment. On February 8, 1995 the District Court issued its opinion and order granting Respondent's motion for summary judgment and dismissing the complaint.

On May 4, 1995 and after the District Court denied Petitioner's motion to amend the judgment, a Notice of Appeal of the District Court's judgment was filed. Subsequently, on September 21, 1995 the Court of Appeals affirmed the District Court's dismissal.

C. Statement of Facts

The facts in this case are clear, simple and straightforward. As the Court of Appeals summarized: "It is undisputed that it was Arvelo who came up with the title "Retail Plus", that Arvelo presented the idea to AIIC as part of a proposal for an advertising campaign, that the proposal was rejected, and that AIIC nevertheless used "Retail Plus" as the title for one of its insurance policies without Arvelo's permission. It is also undisputed that the only alleged copyright infringement was

AIIC's unauthorized use of the name "Retail Plus" as the title of one of its insurance policies. There is no contention that AIIC copied any other portion of Arvelo's advertising campaign, which itself was copyrighted by Arvelo."

REASONS FOR GRANTING THE WRIT

I.

SUMMARY

The decisions below present a clear threat to the adequate protection of intellectual property and conflicts with Supreme Court and statutory law. Intellectual property in general, and that segment of such spectrum covered by the Copyright Act in particular, represent the most important and valuable property at the dawn of the new millenium. Therefore, in the age of the information era, it is of critical importance that the parameters of the protection afforded by the copyright laws be clearly defined. In that respect and despite the Supreme Court's clear and specific guidance as to what exactly constitutes copyright infringement the lower echelons of the federal judiciary are still issuing conflicting and inconsistent rulings regarding what constitutes copyright infringement. The case at bar is a good example of the uncertainty now pervading the intellectual property realm. If the problem is not adequately addressed by the Supreme Court, perhaps more appalling cases are sure to follow. Petitioner thought that the issue of what constitutes copyright infringement was clearly laid out by the Supreme Court in the case of *Feist Publications, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340 (1991) but the only thing that is clear is that the Court of Appeals for the First Circuit applies a different criteria in determining what constitutes copyright infringement. Where the Supreme Court expressed that the copying of a constituent element of the copyrighted work that is original is copyright infringement the First Circuit states that such copying is not copyright

infringement if the material copied passes a minimal threshold regardless of its originality. How much of the original work has to be copied to constitute copyright infringement is not explained by the First Circuit, it merely concluded that the copying in the case at bar was too insubstantial to qualify for federal copyright protection.

II.

RESPONDENT INFRINGED PETITIONER'S COPYRIGHT.

The Supreme Court in *Feist Publications, Inc. v. Rural Telephone Serv. Co,* 499 U.S. 340 (1991) clearly established what constitutes copyright infringement. There through Justice O'Connor the Court rejected the type of quantitative analysis used by the Court of Appeals in the case at bar and recognized a qualitative analysis based on originality as the proper method of determining if copyright infringement has occurred.

A copyright infringement claimant pursuant to 17 U.S.C. § 501(a) must demonstrate and prove two elements: ownership of a valid copyright and copying of a constituent element of the work that is original. That Petitioner is the owner of a valid copyright with all the attributes and rights granted by 17 U.S.C. § 106 is not disputed by Respondent or the courts below. Turning to the second prong of the *Feist* test the issue before the Court is whether the courts at the district and circuit levels were correct in determining that Respondent did not violate that second element of the test. In *Feist* the Supreme Court held that because the second legal requisite was lacking; *i.e.,* the constituent elements that defendant copied were themselves original, there was no copyright infringement. The present case is the reverse side of the *Feist* coin. Here the constituent element that Respondent copied is indeed original and Respondent readily admits that Arvelo was its creator.

The two words copied — Retail Plus — were not an isolated phrase in the copyrighted work or an offhand or innocuous term casually included in the copyrighted work. Those two words are the result of a carefully conducted marketing analysis designed to capture in an effective expression the idea embodied on the Respondent's policy. The conception of the words copied and their incorporation in the copyrighted work constituted an original expression of the complex idea behind AIIC's insurance policy. The copied words establish a readily identifiable link — by means of its original expression — between the product and the intended customers. AIIC wrongfully appropriated a sequence of creative and original expression as opposed to an ordinary phrase, title or name. In so doing it infringed Petitioner's copyright.

The Supreme Court in *Feist* rejected the quantitative test of copyright infringement. That means that what is important in making a determination of copyright infringement is not the quantity of the material copied but its nature or originality is what counts. The approach endorsed by the Supreme Court in *Feist* had been adopted previously by the Ninth Circuit when it held in *Narell v. Freeman*, 872 F.2d 907 at 913 (9th Cir. 1989) that even quantitatively insignificant infringement may be substantial if the copied material is qualitatively important to either plaintiff or defendant. The District Court and the Court of Appeals for the First Circuit ignored the Supreme Court guidance and the Ninth Circuit precedent and ruled in the case at bar that what matters in determining copyright infringement is the quantity of the material copied and concluded that since the copying was minimal that no infringement occurred.

Another landmark copyright case further sustains Petitioner's contention regarding the inappropriateness of the quantitative tests used by the courts below in dismissing the complaint. Although it dealt primarily with the Fair Use Doctrine

the case of *Harper & Row v. Nation Enterprises*, 471 U.S. 539 (1985), fully endorses the qualitative test in determining copyright infringement and at the same time expressly rejects the quantitative test. *Harper & Row* held that since the material taken by defendants, although quantitatively insignificant, was a dramatic focal point of plaintiff's work, the taking was therefore substantial and resulted in copyright infringement. *Supra* at 564-565. Moreover and in a factual setting more akin to the case at bar in *Sony v. Universal Pictures*, 464 U.S. 417, at 447-451, the Court held that every commercial use of copyrighted material is presumptively unfair and that such privilege of use belongs exclusively to the owner of the copyright. AIIC's unauthorized commercial use of the copyrighted material did not have the merely incidental effect but the intended purpose of supplanting the copyright holder's commercially valuable right of selling the expression of his idea to someone else. That was the conduct condemned in *Harper & Row, supra* at 105 S. Ct. at 2224. As noted, that case is very helpful in dealing with the issue in the case at bar. There the copied material was an insubstantial portion of President Ford's manuscript. Those copied portions qualitatively embodied President Ford's distinctive expression and played a key role in the infringing article. The defendant published its article for profit while taking the heart of the copyrighted work. In the case before us the copied portion, even if we consider it insubstantial, *arguendo*, like in *Harper & Row*, qualitatively embodies Arvelo's distinctive expression of the underlying ideas. The copied material came from the heart of the copyrighted work. After all as Respondent stipulated it invited Arvelo to create an advertising campaign and asked him to produce a name for the policy in conjunction with the advertising campaign. That the facts presented in this case constitute a copyright infringement can be concluded from the quote approvingly used by the Court in *Harper & Row*, at 471 U.S. 550 n. 3:

> Professor Nimmer notes: [Perhaps] no more precise guide can be stated than Joseph McDonald's clever paraphrase of the Golden Rule: "Take not from others to such an extent and in such manner that you would be resentful if they so took from you.

Respondent violated the Golden Rule. They took from Mr. Arvelo precisely what they sought to protect from further unauthorized taking by others by registering "Retail Plus" at the Puerto Rico Trademark Office.

III.

THE COPIED MATERIAL, NAMELY THE WORDS "RETAIL PLUS", ARE COPYRIGHTABLE MATERIAL.

The key element is assessing the copyrightability of any material is not its size but the degree of authorship in the creation of the copied material. In the case at bar the degree of authorship, creativity, and originality employed by Petitioner in coming with those two words to name Respondent's policy is self-evident. That is also clear when we contrast Petitioner's successful creative efforts with Respondent's actions before and after their appropriation. As evidenced by uncontested fact no. 4 in the District Court's opinion, Respondent used its internal intellectual resources to create a suitable name and did not succeed. After using, without authorization, Petitioner's intellectual property, as if further evidence were needed to prove that Arvelo's creation was very valuable, they registered "Retail Plus" in the Puerto Rico Trademarks Office to prevent anybody else from using such a valuable asset. It is simply beyond comprehension how could the courts below conclude that "Retail Plus" was not an integral part of the copyrighted work. Nor is it easy to understand the lower court's conclusion that the

two words in question are non-protected aspects of the copyrighted material. It should be clear to anyone that the creation of those two words were indeed one of the main, if not the most important, purpose of Arvelo's original work of authorship. Labels, stickers, slogans, and jingles are protected if there is sufficient authorship, in which case there may be questions of infringement. The name "Retail Plus" was an important feature of the marketing plan copyrighted by Petitioner. The appropriation of such an important feature of the copyrighted work by Respondent constitutes a substantial unauthorized copying of protected material and thus it is a clear example of a simple copyright infringement.

Respondent appropriated a key feature of Petitioner's copyrighted marketing plan and used it as a trademark for his business owner's policies. A quick glimpse of Petitioner's copyrighted work unequivocally reveals that the name "Retail Plus" for the policy in question was a key feature of the copyrighted marketing plan. It is prominently included in the objectives of the plan, in the proposed ad for the product in question, in the advertising and promotional program, in the schedule of events, and in the advertising budget. It should be noted that the "Retail Plus" feature of the marketing plan was devoted a whole stage (Stage IV), out of four stages of the plan. We must necessarily conclude that Respondent's copying of unauthorized material from the copyrighted work was indeed substantial. At this point we must note that the District Court erroneously asserts that "Retail Plus" is mentioned in only one page.

The fact is that "Retail Plus" appears in a larger quantity of pages, and more important, in a qualitatively superior plane. To constitute infringement the part taken (*i.e.*, the words "Retail Plus") must be substantial and material in relation to the copyrighted work as a whole. It should be apparent that the

substantiality of a taking can depend on the quality as much as the quantity of the taking. Thus, Respondent's use of advertising of only three sentences from Petitioner's scientific treatise was infringement. Moreover, the taking can be by way of literal fragments. Latman, *The Copyright Law*, pp. 165-166 (1979). Petitioner submits to the Honorable Court that Respondent's appropriation of the words "Retail Plus" from Petitioner's copyrighted work (and that they were a key feature thereof) was substantial and material in relation to the copyrighted work as a whole. Therefore, such appropriation, done as it was without authorization or compensation of any kind, constitutes a clear infringement of Petitioner's copyrighted work.

Even a small usage may be unfair if it is of critical importance to the work as a whole and taken by the infringer in order to save the time and expense incurred by the copyright owner. *Meredith Corp. v. Harper & Row*, 378 F. Supp. 686 (S.D.N.Y. 1974), *aff'd*, 500 F.2d 1221 (2d Cir. 1974). In the case at bar, Respondent tried to devise on its own the right name for its policy. It even offered monetary incentives to its employees to come up with the right name. When they could not come up with an acceptable name, they turned to a professional, to Petitioner, who delivered the right name for the policy as part of the copyrighted advertising and marketing campaign. It should not go without saying that the naming of the product was very important. After appropriating Petitioner's intellectual property, they thought that the name "Retail Plus" was so good and valuable that they wanted to register it to prevent anyone else from using it. Given the importance that Respondent rightfully attached to the name of the policy, it is simply unconscionable that they have flatly refused to pay Petitioner for the valuable intellectual property used by Respondent to generate over one million dollars in sales.

It is inescapable to conclude that Respondent by

appropriating a key feature of Petitioner's copyrighted work has infringed Arvelo's copyright. The complete copyrighted work is 28 pages long. Ten of those pages consists of facts obtained from various public sources and ad rates from media providers. The information in those ten pages is public and can be copied without violating Petitioner's copyright. In the protected 18 pages, "Retail Plus" is the prominent feature in 6 of them. That is, it figures prominently in thirty three per cent (33%) of the original pages of the copyrighted work. There can be no doubt of the substantiality and materiality of Respondent's unauthorized copying. The Supreme Court in *Harper & Row v. The Nation*, 471 U.S. 539 (1985) labeled as infringement the use of 300 words from President Ford's 200,000 words memoirs. That is less than two per cent (2%). The Court found that quotes from the "heart" of the memoirs, robbed the copyright-holders of commercially valuable rights. The case at bar presents copying on a much larger scale and also presents a case in which the infringer arrogated to itself an important marketable right. That is, Respondent took from the heart of the copyrighted work. It is very disingenuous for the District Court to argue otherwise since it acknowledges in uncontested fact no. 5 of its opinion and order that one of the main tasks of the copyrighted work was to come up with a suitable name for the insurance policy. One, if not the most important feature of the copyrighted work was the name of the policy and once created by the Petitioner's sweat of his brow, the Respondent stole it. Respondent's wrongful acts prevented Petitioner, among other things, from marketing the name "Retail Plus" to other insurance companies with policies similar to the ones sold by AIICO. In closing, we should note that the overwhelming thrust of authority upholds liability even under circumstances in which the use of the copyrighted work is of minimal consequence. *2 Nimmer on Copyright,* 8.01[G], pp. 8-25 (1992).

IV.

"RETAIL PLUS" IS NOT A TITLE, SHORT PHRASE, NAME OR SLOGAN INCAPABLE OF COPYRIGHT PROTECTION.

The District Court's conclusion asserting that "Retail Plus" is a title or, in the alternative, a phrase or an idea of an insurance policy, and therefore, it is not copyrightable are misplaced. It is clear that a title is not in itself subject to copyright protection apart from the particular work it identifies. But that is not the case before the Court. What is before the Court is the appropriation or unauthorized copying of a substantial and material part of Petitioner's copyrighted work. That said part happens to be the name suggested for Respondent's policy is irrelevant. It was a suggestion in an organized and well structured collection of suggestions that included, *inter alia*, radio and print ads, a sequence of marketing events and specific texts. What counts is that a substantial and material part of a copyrighted work was copied without authorization, and therefore such unauthorized copying constitutes an infringement of Petitioner's copyright. We must also remember that "Retail Plus" is not the title of Arvelo's copyrighted work. The fact that Respondent used such a fine expression of an idea as the title for its policies does not strip the words "Retail Plus" of copyright protection. We should not lose sight that Respondent has always conceded that Petitioner created the words "Retail Plus" as part of his marketing plan (the copyrighted work (uncontested fact no. 6, of the District Court's Opinion) and that their use of said creation was legitimate, because Petitioner allegedly authorized it). After all their witnesses' deposition testimony and the court's factual findings to the effect that said authorization never existed, Respondent tried to obfuscate the issues before the court and unfortunately the District Court as well as the Court of Appeals fell into the trap.

CONCLUSION

Both the District Court and the Court of Appeals erred in using a quantitative standard and in concluding that Respondent's acts did not constitute copyright infringement. The analysis and the conclusions of the lower court's conflict with the Copyright Act, and its interpretation by the Supreme Court and other Courts of Appeals. Therefore the Court of Appeals' decision affirming the dismissal of this action by the District Court should be reversed and Petitioner respectfully requests that it be done.

Respectfully submitted,

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APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT DATED SEPTEMBER 21, 1995

UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT

No. 95-1366

GILBERTO ARVELO,

Plaintiff, Appellant,

v.

AMERICAN INTERNATIONAL INSURANCE COMPANY,

Defendant, Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

(Hon. Jaime Pierae, Jr., *U.S. District Judge*)

Before

Stahl, *Circuit Judge*,

Campbell, *Senior Circuit Judge*,

and Lynch, *Circuit Judge*

Celso E. Lopez and *Peter John Porrata* for appellant.

Lisa E. Bhatia Gautier with whom *Pinto-Lugo & Rivera* was on brief for appellee.

Appendix A

SEPTEMBER 21, 1995

Per curiam. The Plaintiff Gilberto Arvelo brought suit against the American International Insurance Co. ("AIIC"), claiming that AIIC committed copyright and trademark infringement and engaged in unfair competition by using the designation "Retail Plus" — a label which the parties stipulate was conceived by Arvelo — as the title of one of its insurance policies, without Arvelo's permission. The district court granted summary judgment in favor of AIIC. Arvelo appealed, but only with respect to the disposition of his copyright claim. We affirm, largely on the basis of the district court's opinion. *See Arvelo v. American Int'l Ins. Co.*, 875 F. Supp. 95, 95-101 (D.P.R. 1995).

We add the following. It is undisputed that it was Arvelo who came up with the title "Retail Plus," that Arvelo presented the idea to AIIC as part of a proposal for an advertising campaign, that the proposal was rejected, and that AIIC nevertheless used "Retail Plus" as the title for one of its insurance policies without Arvelo's permission. It is also undisputed that the *only* alleged copyright infringement was AIIC's unauthorized use of the name "Retail Plus" as the title of one of its insurance policies. There is no contention that AIIC copied any other portion of Arvelo's advertising campaign, which itself was copyrighted by Arvelo. The dispositive issue, therefore, is whether the name "Retail Plus" standing alone is subject to federal copyright protection. The answer is clearly no.

It is a basic proposition of copyright law that mere words and short phrases, even if they occur in a copyrighted work, do not themselves enjoy protection against copying. *See, e.g., Arica Institute, Inc. v. Palmer*, 970 F.2d 1067, 1072-73 (2d Cir. 1992) (single words and short phrases in copyrighted text not

copyrightable); *Magic Marketing, Inc. v. Mailing Servs. of Pittsburgh, Inc.*, 634 F. Supp. 769, 771-72 (W.D. Pa. 1986) (noting that even "colorful descriptions, such as advertising slogans, are not accorded copyright protection"). The non-copyrightability of *titles* in particular has been authoritatively established. *See generally* 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 2.16, at 185-86 (1995 ed.) ("It is . . . clear, as a matter of statutory construction by courts (as well as Copyright Office Regulations), that titles may not claim statutory copyright." (footnotes omitted)). The Copyright Office's own interpretive regulations explicitly embrace the rule of non-copyrightability for names and titles. *See* 37 C.F.R. § 202.1(a) (1994) (listing as an example of non-copyrightable material: "Words and short phrases such as names, titles, and slogans. . . .").

We reject Arvelo's contention that the rule against the copyrightability of titles does not apply here because "Retail Plus" was not the title of *his* copyrighted work (the advertising campaign). Whether or not "Retail Plus" was the title of his advertising proposal, it is clear that Arvelo conceived of that name as the proposed title of AIIC's insurance policy. In any event, the name "Retail Plus" standing alone, whether viewed as a title or not, is simply too insubstantial to qualify for federal copyright protection. *Cf. Alberto-Culver Co. v. Andrea Dumon, Inc.*, 466 F.2d 705, 711 (7th Cir. 1972) (Stevens, J.) (finding not subject to copyright protection the commercial tag-line "the most personal sort of deodorant," on ground that such text "is merely a 'short phrase or expression' which hardly qualifies as an 'appreciable amount of original text' " (footnote omitted)); *Kitchens of Sara Lee, Inc. v. Nifty Foods Corp.*, 266 F.2d 541, 544 (2d Cir. 1959) ("Brand names, trade names, slogans, and other short phrases or expressions cannot be copyrighted, even if they

are distinctively arranged or printed."). We add that Arvelo's assertion that he put a substantial amount of effort into devising the name "Retail Plus" is immaterial to the question of copyrightability. *See Feist Publications, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 340, 354-61 (1991) (rejecting the notion that copyright protection can be obtained merely through the "sweat of the brow"). It follows that AIIC could not have committed copyright infringement by using the label "Retail Plus" as the title of one of its insurance policies.

Finally, we reject Arvelo's claim that the district court erred in denying his post-judgment motion to amend its opinion with respect to various factual particulars, as none of the proposed amendments has any material bearing on the merits of Arvelo's copyright claim.

Affirmed.

APPENDIX B — JUDGMENT, OPINION AND ORDER OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF PUERTO RICO DATED FEBRUARY 8, 1995

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

CIVIL NO. 93-1287 (JP)

GILBERTO ARVELO

Plaintiff

v.

AMERICAN INTERNATIONAL INSURANCE COMPANY

Defendant

JUDGMENT

By virtue of the Opinion and Order entered on this date in which the Court grants defendant's motion for summary judgment, the Court hereby **ENTERS** Judgment dismissing the complaint with costs and without attorney's fees.

IT IS SO ORDERED AND ADJUDGED.

In San Juan, Puerto Rico, this 8th day of February, 1995.

s/ Jaime Pieras, Jr.
JAIME PIERAS, JR.
U.S. DISTRICT JUDGE

Appendix B

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

CIVIL NO. 93-1287 (JP)

GILBERTO ARVELO

Plaintiff

vs.

AMERICAN INTERNATIONAL INSURANCE COMPANY

Defendant

OPINION AND ORDER

The Court has before it defendant's Motion for Summary, Judgment (docket No. 40), plaintiff's Opposition to Motion for Summary Judgment and Motion for Partial Summary Judgment (docket No. 49), and the respective supplements to their motions.

Plaintiff, Gilberto Arvelo, filed the instant case alleging copyright infringement, trademark infringement and violation of principles of unfair competition under the Lanham Act against defendant, American International Insurance Company ("AIIC"), for defendant's use of the name "Retail Plus" as the title for its small business owner insurance policy. Plaintiff alleges that he created the name "Retail Plus" and that AIIC infringed upon the copyright of his proposed advertising campaign, infringed general trademark principles and misappropriated his intellectual property by using the name "Retail Plus" for its insurance policy. Defendant admits that it

used the title Retail Plus" for its insurance policy, but denies that this action violates any federal statute.

For the following reasons, defendant's motion is hereby GRANTED and plaintiff's motion is hereby DENIED.

I. UNCONTESTED FACTS

The parties jointly stipulated that the following are uncontested facts:

1. Plaintiff, Mr. Gilberto Arvelo, is a publicist and resident of Puerto Rico.

2. Defendant, American International Insurance Company, is an insurance company incorporated under the laws of the Commonwealth of Puerto Rico.

3. AIIC developed an insurance policy for small business owners during the spring of 1991. An authentic, complete and accurate copy of AIIC's insurance policy entitled "Retail Plus" is found as Exhibit D to defendant's Motion for Summary Judgment (docket No. 40), which was submitted in defendant's Motion Submitting Documents (docket No. 47).

4. AIIC held a competition between its employees in order to chose a new name for the policy. Between thirty and forty names were suggested during this competition, however, none of those names was selected.

5. Mr. Carlos Amy, the AIIC marketing manager in charge of developing the new insurance policy, invited Mr. Gilberto Arvelo to create an advertising campaign for AIIC, including

ideas for marketing the new insurance policy. They also asked Mr. Arvelo to produce a name for the policy.

6. Mr. Arvelo created such an advertising campaign for RIIC and presented the campaign to AIIC corporate officers on May 14, 1991. In conjunction with the advertising campaign, Mr. Arvelo invented the name "Retail Plus" for the new insurance policy.

7. Defendant had access to Mr. Arvelo's entire advertising campaign, including the name "Retail Plus", during Mr. Arvelo's presentation to AIIC corporate officers on May 14, 1991.

8. Soon after the presentation, Mr. Amy notified Mr. Arvelo that AIIC was not interested in implementing his whole advertising campaign; AIIC was only interested in the name, "Retail Plus", which Mr. Arvelo had suggested for AIIC's new insurance policy.

9. AIIC offered to pay Mr. Arvelo Two Hundred and Fifty Dollars ($250.00) for the name "Retail Plus".

10. Mr. Arvelo rejected AIIC's offer of paying Two Hundred and Fifty dollars ($250.00) for the name "Retail Plus".

11. Mr. Amy, the marketing manager who had negotiated with Mr. Arvelo for the use of the name "Retail Plus", suggested to other AIIC department heads that AIIC adopt the name "Retail Plus" for its insurance policy.

12. The department heads reached a consensus and adopted the name "Retail Plus" for AIIC's insurance policy.

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13. On November 20, 1991, AIIC received trademark registration for the trademark "Retail Plus" at the Division of Corporations and Trademarks of the Department of State, Commonwealth of Puerto Rico, number 30,476.

14. On September 18, 1992, Mr. Arvelo obtained federal registration copying the advertising campaign that he had created for AIIC, number TX 538 977. An authentic, complete and accurate copy of Mr. Arvelo's copyrighted advertising campaign is found as Exhibit D to defendant's Motion for Summary Judgement (docket No. 40) which was submitted in defendant's Motion Submitting Documents (docket No. 47). Plaintiff accepted that this is a true copy of his copyrighted advertising campaign.

15. Plaintiff admits that ten pages of the twenty-eight page copyrighted advertising campaign contain public information and are therefore not copyrightable material.

16. Six pages are dedicated to "American International Insurance Media Recommendation" containing cost estimates of advertising for different stages of the proposed media campaign.

17. Four pages contain a breakdown of the different types of newspaper advertisements, a list of when the suggested advertisements should appear in the newspapers, and an approximation of the cost of the advertising during each stage.

18. The remaining eight pages of Mr. Arvelo's advertising campaign contain four proposals for advertisements. For each proposed advertisement, there is a copy of the actual advertisement, followed by a one-page textual description of the advertisement.

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19. Defendant's twenty-six page insurance policy is titled "Retail Plus". It is a general business liability policy designed for small business owners, containing detailed terms and conditions for compliance with insurance coverage, such as what is covered and what is excluded under the policy; what are the policy limits and deductibles; specific and general conditions regarding property loss; and provisions on optional coverage.

20. The name "Retail Plus" is mentioned at least three times in the insurance policy, on the first page of every section: property coverage, general liability coverage, and common policy conditions.

21. Plaintiff admits that AIIC did not copy any other aspect of his copyrighted advertising campaign, besides the name "Retail Plus" and that both documents are not substantially similar.

22. Plaintiff did not obtain any trademark registration, either federal or in the Commonwealth of Puerto Rico, for the mark "Retail Plus".

23. Plaintiff never sold any good or service under the name "Retail Plus", nor used the name in any other capacity with the exception of the proposal, which was later on copyrighted.

II. MOTION FOR SUMMARY JUDGMENT STANDARD

Rule 56(c) of the Federal Rules of Civil Procedure provides for the entry of summary judgment in a case where "the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the

moving party is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(c); *Pagano v. Frank*, 983 F.2d 343, 347 (1st Cir. 1993); *Brennan v. Hendrigan*, 888 F.2d 189, 191 (1st Cir. 1989); *Lipsett v. University of Puerto Rico*, 864 F.2d 881, 894 (1st Cir. 1988).

Summary judgment is appropriate where, after drawing all reasonable inferences in favor of the party against whom summary judgment is sought, there is not the slightest doubt as to whether a genuine issue of material fact exists. *Kennedy v. Josephthal & Co.*, 814 F.2d 798, 804 (1st Cir. 1987); *Peckham v. Ronrico Corp.*, 171 F.2d 653 (1st Cir. 1948). A "genuine" issue is one that is dispositive, and which consequently must be decided at trial. *Mack v. Great Atlantic and Pacific Tea Co.*, 871 F.2d 179, 181 (1st Cir. 1989); *Anderson v. Liberty Lobby*, 477 U.S. 242, 247-48 (1986). A material fact, which is defined by the substantive law, is one which affects the outcome of the suit and which must be resolved before attending to related legal issues. *Mack*, 871 F.2d at 181.

The party filing a motion for summary judgment bears the initial burden of proof to show "that there is an absence of evidence to support the non-moving party's case." *Celotex Corp. v. Catrett*, 477 U.S. 317, 325 (1986). Thereafter, the burden shifts to the non-movant to provide the Court, through the filing of supporting affidavits or otherwise, with "some indication that he can produce the quantum of evidence [necessary] to enable him to reach the jury with his claim." *Hahn v. Sargent*, 523 F.2d 461, 468 (1st Cir. 1975); *see also Brennan*, 888 F.2d at 191. The non-movant cannot rest upon mere allegations or denial of the pleadings. Fed. R. Civ. P. 56(e). Indeed, the non-movant must affirmatively show that "sufficient evidence supporting the claimed factual dispute [exists] to require a jury or judge to resolve the parties' differing versions of truth at trial." *First*

National Bank v. Cities Service Co., 391 U.S. 253, 288-89 (1968). On issues where the non-movant bears the ultimate burden of proof, he must present definite, competent evidence to rebut the motion. *See Anderson*, 477 U.S. at 256-57.

III. COPYRIGHT INFRINGEMENT

The owner of a federally registered copyright has the exclusive right to reproduce the copyrighted work, 17 U.S.C. § 106, and violation of that right can constitute infringement, 17 U.S.C. § 501. To establish a claim of copyright infringement, plaintiff has the burden of proving that defendant copied the protected work. *Motta v. Samuel Weiser Inc.*, 768 F.2d 481, 483 (1st Cir.), *cert. denied*, 474 U.S. 1033, 88 L.Ed. 2d 575, 106 S.Ct. 596 (1985). *Concrete Machinery Company, Inc. v. Classic Lawn Ornaments, Inc.*, 843 F.2d 600, 605 (1st Cir. 1988).

Since direct evidence that defendant has copied plaintiff's work is generally unobtainable, copying can be inferred from two elements: first, that defendant had access to plaintiff's work, and second, that defendant's product is "substantially similar" to plaintiff's work. *Concrete* 843 F.2d at 606; *O'Neill v. Dell Pub. Co.*, 630 F.2d 685, 686 (1st Cir. 1980); *Warner Bros. Inc. v. American Broadcasting Cos.*, 654 F.2d 204, 207 (2nd Cir. 1981). It is undisputed that AIIC had access to Arvelo's work and ideas during his 1991 presentation to the officers of AIIC. Therefore, the only remaining issue is whether AIIC's work was substantially similar to Arvelo's product.

The question of substantial similarity involves a two step analysis. First, as a preliminary matter of law, the Court must establish which aspects of plaintiff's work are protected by his copyright and whether defendant copied those protected aspects.

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> By dissecting the accused work and identifying those features which are protected in the copyrighted work, the court may be able to determine as a matter of law whether or not the former has copied protected aspects of the latter. *Concrete* 843 F.2d at 608.

If the Court determines that defendant's work copies plaintiff's copyrighted product, then in the second step, the two works are compared under the "ordinary observer" test. Under this test, the two works are considered substantially similar if "the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same." *Peter Pan Fabrics Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960).

The second step of the inquiry involves a comparison of fact-specific details of the two works in question, and as such, is generally not susceptible to decision in a motion for summary judgment. However, when there is no possibility that a reasonable person could find any similarity between the two products, summary judgment is appropriate. *O'Neill v. Dell Pub. Co.*, 630 F.2d 685, 690 (lst Cir. 1980).

By applying the test to the case at bar, the Court must first determine whether defendant's insurance policy copies any of the protected aspects of plaintiff's advertising campaign. The "accused work" is defendant's twenty-six page insurance policy, entitled "Retail Plus". It is a general business liability policy designed for small business owners. The heart of the work contains the detailed terms and conditions for compliance with insurance coverage, such as what is covered and what is excluded under the policy; what are the policy limits and deductibles;

specific and general conditions regarding property loss; and provisions on optional coverage. The name "Retail Plus" is mentioned at least three times, on the first page of every section: property coverage, general liability coverage and common policy conditions.

Plaintiff argues that defendant, by using the name "Retail Plus" for the title of its insurance policy, copied an integral part and a substantial portion of his copyrighted advertising campaign. Plaintiff's contention that "Retail Plus" is an integral part of the campaign, however, is not supported by the evidence. Furthermore, the words "Retail Plus", in and of themselves, separated from the rest of the advertising campaign, are not copyrightable material. Therefore, defendant's reproduction of two words, which are nonprotected aspects of the copyrighted material, does not constitute copyright infringement.

From the uncontested facts, the parties stipulate that ten pages of plaintiff's copyrighted advertising campaign contain public information and are therefore not copyrightable material. Ten other pages contain cost estimates of advertising for different stages of the proposed media campaign, and a breakdown of the different types of newspaper advertisements, a list of when the suggested advertisements should appear in the newspapers and an approximation of the cost of the advertising during each stage. Of these ten pages, the name for AIIC's new insurance policy is mentioned on three separate pages.

On all of these pages, Arvelo refers to AIIC's new insurance policy as "Retailer Plus", not "Retail Plus". There is a substantial difference between the name "Retail Plus", which emphasizes retail sale contrasted with wholesale, and "Retailers Plus", which focuses on the individual selling the goods. The presence of two

distinct suggestions for AIIC's insurance policy titles undermines Arvelo's assertion that the name, "Retail Plus", was an essential component of his advertising campaign.

Further examination of the same document shows that the only place where the actual words, "Retail Plus", and not "Retailer Plus", appear is in a proposed newspaper advertisement. This ad sports the slogan: "Until now, nobody thought about small business merchants," placed next to a drawing of a hand holding a brochure of insurance policy. At the top of the brochure are the words "Retail Plus", with the AIIC logo prominently displayed in the bottom corner. The appearance of the words "Retail Plus", once, in a twenty-eight page campaign, does not demonstrate that those two words comprise a substantial portion of plaintiff's copyright.

Moreover, the two words, "Retail Plus", are not copyrightable component parts of the advertising campaign. "Words and short phrases such as names, titles and slogans" are examples of materials not subject to copyright protection. 37 C.F.R. 202.1 (a). *See Perma Greetings, Inc. v. Russ Berrie & Co.*, 598 F. Supp. 445 (E.D. Mo. 1984) (copyright office denied copyright protection for three Mug-Mat, coaster designs containing phrases such as "Hang in There," because words are not copyrightable material); and *Alberto-Culver Co. v. Andrea Dumon, Inc.*, 466 F.2d 705, 710 (7th Cir. 1972), (copyright of entire advertising label of a feminine deodorant spray did not extend additional copyright protection to the phrase "most personal sort of deodorant", a portion of the label). Arvelo's copyright protects the advertising campaign in its entirety, not merely two words of the whole document.

Plaintiff does not allege that defendant copied any aspect of

the protected product, other than the name "Retail Plus". It is undisputed that defendant AIIC did not use any of the Arvelo's proposed advertisements or suggestions for marketing its new insurance policy. The only aspect which plaintiff alleges was copied, was the name, "Retail Plus". The words "Retail Plus" did not form a substantial portion of his advertising campaign, nor are the words "Retail Plus" subject to copyright protection if dissected from the surrounding advertising campaign. Therefore, as a matter of law, plaintiff has not met its burden of showing that defendant copied any protected feature of his advertising campaign.

Even assuming that Arvelo were able to prove that AIIC's use of the name "Retail Plus" constitutes copying of his copyrighted work, the parties stipulate that the two works are not substantially similar. Plaintiff's work is an advertising campaign focusing on the type of media coverage, the content of the suggested advertisements, an estimation of the cost of the media campaign, and suggested timing of when the advertisements should run in marketing AIIC's insurance policy. On the other hand, defendant's work is a detailed insurance policy focusing on the type of insurance coverage, which individual and business property is covered under the policy, which incidents are covered, what is the extent of the insurance coverage and other requirements. The only similarity between the works are the two words "Retail Plus", which appear once in the twenty-eight page advertising campaign and three times in the twenty-six page insurance policy. There is no possibility that a reasonable person would find any similarity between Arvelo's advertising campaign and AIIC's insurance policy.

As AIIC neither copied any protected aspect of Arvelo's advertising campaign, nor is AIIC's insurance policy

substantially similar to Arvelo's campaign, there is no genuine issue of material fact regarding copyright infringement.

IV. LANHAM ACT — TRADEMARK INFRINGEMENT

Rights in trademarks are primarily common law property rights acquired by the first party to appropriate the mark and use it in connection with a particular business, *Jordan K. Rand, Ltd. v. Lazoff Bros., Inc.*, 537 F. Supp. 587, 593 (D.P.R. 1982); *Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 372 (lst Cir. 1980); *Volkswagenwerk Aktiengesellschaft v. Wheeler,* 814 F.2d 812, 815-16 (lst Cir. 1987).

Plaintiff admits that he never obtained trademark registration for the name "Retail Plus". Nonetheless, he argues that he is entitled to protection under the Lanham Act as the inventor of the name. Arvelo specifically invented several names for the new policy, including "Retail Plus", at the request of Mr. Amy, AIIC marketing manager. A year later, after AIIC rejected Arvelo's advertising ideas, Arvelo obtained federal copyright protection for his twenty-eight page advertising campaign which contained the name "Retail Plus". Arvelo asserts that he invented the name "Retail Plus", and that AIIC violated his trademark protections by using the name without his permission.

Rights in a trademark, however, cannot be obtained through discovery or invention alone. *McCarthy on Trademarks and Unfair Competition* §16.03 at 16-16 (3rd Ed. 1994). Some actual use of the trademark, such as affixing a label to a good which is sold in commerce, is necessary to establish use. Neither conception of an idea for a mark, nor solicitation of advertising business constitute use of the trademark sufficient to acquire proprietary rights in the mark. *Gordon Bennett & Associates, Inc. v. Volkswagen of America, Inc.*, 186 U.S.P.Q. (BNA) 271 (N.D.

Cal. 1975) (invention of the term "Security Blanket" in conjunction with the advertising promotion of the use of bank passbooks for savings account holders did not entitle inventor of the name to rights in the "Security Blanket" mark.)

Merely inventing the name "Retail Plus" and presenting it to defendant did not constitute use of the name sufficient for trademark protections to attach. From the uncontested facts, it is undisputed that Arvelo never sold any insurance, or any other good or service, named "Retail Plus". Since plaintiff never used the mark "Retail Plus" in connection with the sale of services, he has not acquired any proprietary rights in the mark. Therefore, AIIC's use of the name "Retail Plus" as suggested by Arvelo, does not violate any federal trademark protection.

Even if plaintiff were able to establish that he had some proprietary rights in the name "Retail Plus", he is unable to prove that defendant's use of the name "Retail Plus" constitutes trademark infringement. Under 15 U.S.C. §1114(1)(a), plaintiff must demonstrate that any person who, without the consent of the trademark owner:

> [U]se[s] in commerce any reproduction, counterfeit, copy or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services or in connection with which such use *is likely to cause confusion, or to cause mistake or to deceive* * * * * shall be liable in a civil action by the registrant for the remedies hereinafter provided.
>
> (Emphasis supplied)

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Therefore, the likelihood of confusion is the main element of a trademark infringement claim. *Pignons S.A. de Mecanigue de Precision v. Polaroid Corp.*, 657 F.2d 482, 486-87 (lst Cir. 1981). Because, "[a] trademark owner has a property right only insofar as is necessary to prevent customer confusion as to who produced the goods and to facilitate differentiation of the trademark owner's goods." *International Order of Job's Daughters v. Lindeburg & Company,* 633 F. 2d 912, 919 (9th Cir. 1980).

The First Circuit has delineated eight factors which shall be considered in order to determine whether there is a likelihood of confusion: similarity of the marks and goods; relationship between plaintiff's and defendant's channel of trade; advertising; classes of prospective customers; actual confusion; intent in adopting mark; and strength of the mark. *Volkswagenwerk Aktiengesellscfiaft v. Wheeler,* 814 F.2d 812, 817 (lst Cir. 1987). All of these factors weigh against the consideration that there would be the likelihood of confusion among relevant consumers.

Plaintiff, as an advertising agent, sold ideas to companies on how to effectively market their products. His prospective customers were corporate entities, including insurance companies such as defendant. On the other hand, defendant sold insurance policies to individuals or corporations. In particular, the policy "Retail Plus" was aimed at the small retail merchant interested in purchasing a policy to cover general liabilities of a small business. Even though defendant adopted the exact same Swords in its mark as that suggested by plaintiff, there is no possibility that one of plaintiff's customers, a corporation interested in buying advertising services, would confuse defendant's insurance policies with plaintiff's advertising Campaigns.

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Because plaintiff has no proprietary rights in the mark "Retail Plus", and because there was no likelihood of confusion among the consuming public, it is not necessary to determine whether plaintiff, in his conversations with Mr. Amy, consented to allow AIIC to use the name, "Retail Plus".

V. UNFAIR COMPETITION UNDER LANDHAM ACT SECTION 43(a)

Plaintiff further alleges that defendant violated the provisions of Section 43(a) regarding unfair competition through false designation of goods, which states in pertinent part:

> Any person who shall . . . use in connection with any goods or services a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same and shall cause such goods to enter commerce, . . . shall be liable to a civil action . . . by any person who believes that he is or is likely to be damaged by the use of such false designation or representation.

This language is broad enough to confer standing upon any individual who believes that he is harmed by defendant's use of the trademark. "Thus, one need not be the owner of a federally registered trademark to have standing." *Quabaug Rubber Co. v. Fabiano Shoe Co.*, 567 F.2d 154, 160 (lst Cir. 1977). The basis of this cause of action is likelihood of public's confusion as to the source of the goods or services. Id. Since this cause of action is "designed to reach, among other things, attempts to appropriate the goodwill associated with a competitor's trademark by means

of confusingly similar marking and packaging, which would create an impression that the products of the defendant originated with the plaintiff." *Purolator Inc. v. EFRA Distributors,* 687 F. 2d. 554, 560 (lst. Cir. 1982).

The same facts used to support a claim for trademark infringement are used to support a claim for unfair competition. *Jordan K. Rand, Ltd. v. Lazoff Bros. Inc.*, 537 F. Supp. 587, 597 (D.P.R. 1982). As already discussed, there is no possibility of any confusion among members of the public regarding the source of the services in question. AIIC was the supplier of the insurance policy regardless of the origin of the name of one of its policies. AIIC's customers or other members of the general public would not associate the name "Retail Plus" with plaintiff's advertising business.

VI. CONCLUSION

Defendant's use of the words "Retail Plus" for the title of its insurance policy does not constitute copying of any protected aspect of plaintiff's advertising campaign. Therefore plaintiff has no cause of action for copyright infringement. Plaintiff did not acquire a proprietary right over the mark because he never used the words "Retail Plus" in the sale of goods or services. Furthermore, defendant's use of the trademark "Retail Plus" could not possibly cause confusion among members of the general public regarding its' use of the trademarks or the source of origin of defendant's services.

Defendant's motion for summary judgment is hereby **GRANTED** and plaintiff's partial motion for summary judgement is **DENIED.** Judgement dismissing the complaint will be entered accordingly.

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IT IS SO ORDERED.

In San Juan, Puerto Rico, this 8th day of January, 1995.

s/ Jaime Pieras, Jr.
JAIME PIERAS, JR.
U. S. DISTRICT JUDGE